



WIND ENERGY – SOME BASIC PRINCIPLES

The UK is the windiest country in Europe but until recently countries such as Denmark and Germany have made greater use of wind energy. Wind energy currently contributes approximately 2.2% of the UK's electricity supply and is now the world's fastest growing renewal energy source.

Over the last 18 months there has been a proliferation of enquiries from facilitators and operators to landowners and agents. Some of these have been well thought through, whilst others are speculative at best. Wind farm operators normally require landowners to enter either Exclusivity Agreements or Option Agreements backed by a full lease. The former is readily produced and gives the operator exclusivity for perhaps 12 months in which to undertake some basic scoping works and preliminary assessments. The Option Agreement route involves the preparation of detailed legal documentation and will lock the landowner into an agreement of between 5 and 10 years depending upon the deal.

Before entering either of these arrangements landowners should consider some basic questions – firstly, and realistically, does the site appear suitable?

- Is there sufficient wind.
- Likely MOD and civil radar interference.
- Feasibility of connecting to the national grid.
- Cost of gaining access to and around the site – turbine blades frequently in the region of 45m long.
- Likely attitude of the local Planning Authority.
- Proximity to villages, individual dwellings owned by others.

Other immediate considerations include:

- The proposed height and rating of the turbines – the trend is for ever larger units.
- Impact on property – amenity, sporting, agriculture (particularly arable farms), value.
- Environmental impact – is the site particularly sensitive?
- Likely community reaction – are you going to be public enemy number one?
- Track record of wind farm operator.
- Are you dealing with a facilitator or an end user?
- Is the development funding available?

Views on wind energy tend to be extremely polarised, but if you decide to proceed then you should employ both a solicitor and an agent with some experience in this field. In both instances your reasonable costs should be covered by the operator.

The agent's role is normally to:

- Provide initial advice.
- Negotiate the commercial terms. These have improved very considerably over the last 12 months and it needs to be remembered that what is agreed today may very well not become a reality for several years.
- Deal with practical issues on the ground.

- Agree general Heads of Terms before passing on to landowner's solicitor to incorporate within the legal documentation. The thrust of any agreement should be to ensure that the landowner has some reasonable control over the siting of the wind farm apparatus, whilst at the same time establishing a legal framework which ensures that the Option holder is proactive in moving matters forward.

For those who are brave enough there is always the alternative of going it alone – significant financial exposure and risk, but much greater rewards for those who succeed.

Edwin Thompson has dealt with over 50 wind farm schemes. For further information contact Neal Thompson (Berwick office – 01289 304432) or Christopher Gray (Carlisle office – 01228 548385).